NewsmaxMedia

February 28, 2018

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Tribune Media Company and Sinclair Broadcast Group, Inc., Consolidated Applications for Consent to Transfer Control, MB Docket No. 17-179

Dear Ms. Dortch:

On January 4, 2018, the Media Bureau tolled the 180-day transaction shot clock in the above referenced proceeding, requesting Sinclair Broadcast Group, Inc ("Sinclair") provide clarity on its plans to divest licenses in an effort to comply with the Commission's ownership rules.[1] Sinclair's response to the Commission on February 21, 2018 fails to address the threshold issues for which the Commission sought clarity and should not be put out for public comment until Sinclair supplements its filing with a clearly defined plan to comply with the FCC's ownership rules.[2]

Sinclair's recent amendment to its application contains gaping holes that prevent the FCC from assessing whether the transaction is in the public interest. The filing attempts to give the impression that Sinclair will divest a significant number of broadcast stations to come into compliance with the broadcast ownership rules, when in fact Sinclair is engaged in a scheme to circumvent such rules and divest only a fraction of those stations while operating many stations via service agreements.

Sinclair is applying for authority to place 23 stations in 10 markets in a trust for divestiture, but not all 23 stations actually will be placed in the trust and ultimately divested. Sinclair admits that the final number of divestitures will be smaller once it has determined which stations on the list to sell. The list includes stations in markets (Indianapolis, Greensboro, and Harrisburg) where Sinclair is seeking waivers of the top-4 duopoly rule. Sinclair also says it will divest Tribune stations in New York (WPIX), Chicago (WGN), and San Diego (KSWB) to comply with the 39% ownership cap, but these "commitments" are also misleading.

Buried in footnotes, Sinclair reveals that the divestiture proposals are essentially a sham because the sidecar arrangements will give Sinclair the ability to continue to manage these stations after they have been acquired by third parties. The FCC must send a clear message to Sinclair that

[1] *See* Letter from Michelle Carey, Chief, Media Bureau, to Miles S. Mason and Mace J. Rosenstein, MB Dkt. No. 17-179 (Jan. 11, 2018) (pausing the shot clock as of January 4, 2018).

[2] *See* Amendment to June Comprehensive Exhibit (February 2018) ("Amendment").

this type of game-playing will not be tolerated. If it does not, the FCC will be providing yet another unusual and suspicious regulatory favor to Sinclair in a transaction that is already rife with the appearance of impropriety and special treatment.

Even more concerning is the fact that Sinclair *expects* that in the future it will be permitted to own many of the divestiture stations listed in its Amendment. Again, deep in the footnotes, Sinclair states that it intends to have a repurchase "option" with the buyers of some of the stations on its list. Among the stations for which Sinclair has an "option" are WPIX and WGN stations. If added to Sinclair's portfolio, Sinclair would blow through the 39 percent national ownership cap; its national audience reach would rise to 45 percent (with the outdated UHF discount) and over 70 percent (without it). Just as Sinclair had apparent foreknowledge from the Commission on the changing of the UHF discount, the latest filing again raises serious questions as to whether the Commission has telegraphed to the applicants that it intends to eliminate the national ownership cap all together, even though the public comment cycle in Notice of Proposed Rulemaking has not even started.[3]

It bears noting that in recent broadcast television transactions, the Department of Justice – which typically acts first in these types of transaction – has explicitly barred the applicants from entering into "option and service agreements" with divested stations. The Commission should follow the same approach here. If the Commission nevertheless seeks comment on Sinclair's recent submission before DOJ completes its own jurisdictional process, this will not only show the Commission's overreach, but again would demonstrate a pattern of favoritism to one company.

To be clear, the Commission should **not** put the recent Sinclair amendment out for public comment given the various defects in the Amendment. First, it must require Sinclair to provide a final list of stations it will actually divest to comply with the rules. Second, it must require that the stations be actually divested and must prohibit Sinclair from entering into "options and service agreements." Only when Sinclair submits a filing that clearly and unambiguously states how Sinclair *will* comply with the ownership rules should the divestitures be put out for public comment and the 180-day shot clock restarted.

Respectfully submitted,

/s/

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[3] *See Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule*, NPRM, 32 FCC Rcd. 10785 (2017). Initial comments in MB Docket No. 17-318 are not due until March 19, 2018.